

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
BOND FINANCING PROGRAM
Meeting Date: July 26, 2011
Request for Initial Resolution Extension

Prepared by: *Jayne Feldmann*

Applicant:	Evergreen Oil Inc. and/or its Affiliates	Amount Requested:	\$22,990,000
Project		Application No.:	00768 (SB)
Location:	Newark (Alameda County)	Initial Resolution No.:	IR 05-03 Approved 04/26/05; FR 453 Approved 04/25/06; IR Reinstated 08/27/07

Summary. Evergreen Oil, Inc. and/or its Affiliates (the “Company”) requests to further extend Initial Resolution No. 05-03 for three years for an amount not to exceed \$22,990,000 to finance site preparations and improvements, new equipment, and related costs for the expansion of an existing hazardous waste processing facility (principally a used oil refinery) located in Newark.

A Final Resolution was approved on April 25, 2006, and bonds were issued in the amount of \$8,450,000 on June 23, 2006. The remaining amount of the Initial Resolution is \$14,540,000.

The Company is requesting an extension to the Initial Resolution in order to permit completion of financing of the project.

Borrower. The Company was incorporated in California in December 1983. The Company operates a hazardous waste disposal facility combined with collection and local hauling.

Evergreen Oil, Inc. is owned 100% by Evergreen Environmental Holdings, Inc., a Nevada corporation, which in turn is owned by Evergreen Holdings, Inc., a Delaware corporation.

The principal stockholders of the Company are as follows:

Kinetics Holding MV	49.554%
Joanne & Jacob Voogd CRAT	48.563%
Various partners (Less than 3%)	<u>1.883%</u>
Total:	<u>100.000%</u>

Legal Questionnaire. The Staff has reviewed the Company’s responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raises questions concerning the financial viability or legal integrity of this applicant.

Project Description. Evergreen Oil, Inc. is a collector and processor of hazardous waste substances. The Company collects from its customers, and receives from others: used oil, used oil filters, oily waste water, water antifreeze, and the remnants of sumps and clarifiers. The Company recycles approximately 75% of these items. The solids are then transported to offsite landfills. The refined products are then sold for automotive and lube applications. The expansion project will include the addition of various storage tanks to an existing tank farm, rail car loading stations, a wastewater treatment plant, drum storage and consolidation pads, lab

Agenda Item 4.B.2.

upgrades, bobtail tanks, a loading/unloading area with a drum pumping system, and oily storm/wash water collection system. It is expected that the project will involve the construction of foundations upon which much of the equipment will be based. Associated technical equipment includes heaters, separators, compressors, pumps, filters, piping, fitting, insulation, a vacuum system, and related instrumentation.

Volume Cap Allocation. The Company anticipates applying to the Authority for volume cap allocation second quarter 2012.

Financing Details. The Company anticipates the issuance of negotiated tax exempt bonds.

Financing Team.

Underwriter: Westhoff, Cone & Holmstedt

Bond Counsel: Orrick, Herrington & Sutcliffe

Issuer's Counsel: Office of the Attorney General

Staff Recommendation. Staff recommends approval of a three-year extension of Initial Resolution No. 05-03 for Evergreen Oil, Inc. and/or its Affiliates for an amount not to exceed \$22,990,000.

Note: An Initial Resolution approval is not a commitment that the Board will approve a Final Resolution and bond financing of the proposed Project.

Initial Resolution No. 05-03
Application No. 768 (SB)

**EXTENSION
OF INITIAL RESOLUTION TO ISSUE BONDS TO FINANCE
SOLID WASTE DISPOSAL FACILITIES AND EQUIPMENT
FOR EVERGREEN OIL, INC. AND/OR ITS AFFILIATES**

JULY 26, 2011

WHEREAS, on April 26, 2005, the California Pollution Control Financing Authority (“Authority”) adopted its Initial Resolution No. 05-03 (the “Initial Resolution”) for Evergreen Oil, Inc. and/or its affiliates (the “Company”) for the financing of solid waste and hazardous waste processing and disposal facilities (the “Facilities”) as further described in Exhibit A attached thereto; and

WHEREAS, the Initial Resolution was subsequently reinstated and extended to August 27, 2011 by a resolution adopted on August 27, 2008 (the “Restated Initial Resolution”); and

WHEREAS, the Company has requested that the Restated Initial Resolution be further extended in order to permit completion of financing of the project described in the Initial Resolution, as previously amended;

NOW, THEREFORE, BE IT RESOLVED by the California Pollution Control Financing Authority as follows:

Section 1. The Authority finds and determines that the foregoing recitals are true and correct.

Section 2. The Restated Initial Resolution shall remain in full force and effect until July 26, 2014 unless prior thereto the Authority specifically adopts a further resolution extending the effective date of the Restated Initial Resolution. Such a further extension will be considered after receiving a specific request for such action from the Company, accompanied by such further information as the Authority may request.

Section 3. This Resolution shall take effect immediately upon its passage. Except as modified by Section 2, the Restated Initial Resolution remains in full force and effect.